

CHAPTER 7

PAYMENTS

So far, we have covered military pay entitlements, deductions, procedures, and maintenance of the LES and PFR. We are now ready to process military payrolls and make payments to the crew.

In this chapter, we discuss scheduling of paydays; regular, special, and separation payments; manual and automated processing of payrolls; and the Direct Deposit System (DDS).

GENERAL PAYMENT PROCEDURES

General payment procedures include the payday schedule, the inputs needed for the basis for payment, the use of the leave and earnings statement (LES) supplemental payment categories, the use of payroll numbers, and cash and check payday procedures.

PAYDAY SCHEDULE

According to *Navy Regulations*, 1990, the commanding officer (CO) schedules regular paydays. Commands hold regularly scheduled paydays twice monthly, based on two pay periods a month (1st through the 15th and 16th through the last day of the month). Regular paydays are on the 15th for the first pay period and the 1st of the following month for the second pay period.

Except for payrolls payable on 1 October, if the payday falls on a Saturday, Sunday, or federal legal holiday, payday is on the preceding workday, but not more than 3 days before the scheduled payday. This exception applies to foreign holidays recognized by United States forces abroad. It also applies to payments made to members separating from the service through retirement or discharge when the last day of active duty falls on a Saturday, Sunday, or federal legal holiday. For payrolls payable on 1 October, the Secretary of Defense determines if the payroll maybe dated in September.

The CO may direct that a regularly scheduled payday be held at some date before or after the close of the regular pay period. For a payday held early due to operational considerations, payment may not exceed pay computed through the date of payment. A command cannot deviate from the regular 1st and 15th of the month payday schedule on a continuing basis.

BASIS FOR PAYMENT

Each Navy member that is on active duty has a master military pay account (MMPA). The Defense Finance and Accounting Service (DFAS) - Cleveland Center uses a computerized system to maintain MMPAs from daily inputs. Inputs are as prescribed in the *Navy Pay and Personnel Procedures Manual* (PAYPERSMAN) and the *Source Data System Procedures Manual* (SDSPROMAN), volume II. Every month DFAS - Cleveland Center produces an LES in duplicate for each member whose MMPA it maintains. Disbursing officers distribute the originals to the members and file the copies in the payroll file.

Each disbursing office maintains a payroll file that contains the current LES of each member. Use the payroll file to do the following:

- Prepare regular payrolls
- Record all payments
- Note documents transmitted to DFAS - Cleveland Center or BUPERS
- Compute pay locally when necessary

LES SUPPLEMENTAL PAYMENT POLICY

Normally, you will pay the amounts indicated on the LES. The LES produced and distributed by DFAS - Cleveland Center shows the net pay for the end of the month covered by the LES in the Amount Due End of Current MO/CF block. In addition, forecasts of net pay for the two paydays following appear in the Pay Forecasts section of the LES. Adjust only the LES computed amounts as indicated in figure 7-1.

Payment Category I-No Supplemental Payment

Do not override pay actions in this category except as authorized by categories 5 and 6 which are explained later. Make payments for these actions on the first payday after the LES reflects the change. Increases as direct results of officer promotions or enlisted advancements are paid according to payment category 3.

R:	B	C (Note 1)	
U:		then the payment category would	
L:	and the type of	be if the document is:	
E: If the type of entitlement is	action is	mailed/telecommunication(Note 2)	
1: Advance Housing Allowance (ADV HOUS)	a credit	4	4
2: Advance Leave Rations (ADV RATS LV)			
3: Advance Pay (ADV PAY)			
4: Advance Pay and Allowances (ADV PAY ALW)	a start		
5: Allotments	a start/stop/change		
6: Active Duty Service Date (AOCP only)	an initial or credit		
7: Aviation Career Incentive Pay (ACIP)	a start		3
8:	an increase	1	1
9: Aviation Commission Date (ACD)	an adjustment		
10: Aviation Officer Continuation Pay (AOCP)	an initial or credit	4	2
11: Aviation Service Entry Date (ASED)	an adjustment	1	1
12: Basic Allowance for Quarters (BAQ)	an increase		
13:	a start	4	4
14: Basic Allowance for Subsistence (Prorated/			
15: Supplemental	an increase	1	1
16: Basic Pay			
17: Cancelled Check	a credit	4	4
18: Career Sea Pay (CSP)	a start		3
19:	an increase	1	1
20: Career Sea Pay Premium (CSPP)	a start	3	3
21: Cash Deposit to Offset Indebtedness	a credit	4	4
22: Clothing/Uniform Allowance (One-Time Credits)			
23: Clothing Maintenance Allowance	a start or credit	1	1
24: Cost-of-Living (COLA)	an increase	4	4
25:	start	4	4
26: Dental Additional Special Pay (AS)			
27: Dental Board Certification Pay (BC)	initial or credit	2	2
28:	change	3	3
29: Dental Variable Special Pay (VS)			
30:	start	4	
31: Dependents Evacuation Allowance (DEPN EVAC)	a credit	1	
32: Diving Pay (DVHG)	a start		
33:	an increase	3	
34: Enlisted Advancement (Note 3)			
35: Family Separation Allowance Type I (FORNAL)		1	1
36:	a start or credit	4	4
37: Family Separation Allowance Type II (Note 4)			
38: Federal Income Tax Withholding (FITW)	exemption decrease		
39:	exemption increase	1	1
40: Fly Pay	a start or credit	4	3
41:	an increase	3	3
42: Foreign Duty Pay (FORDU)	a start or credit	1	1
43: Fractional Cost-of-Living Allowance			
44: Hazardous Duty Incentive Pay (HDIP)	a start	4	3
45:	an increase	3	
46: Hostile Fire Pay (HFP)	a start or credit		
47: Leave Rations (LV RATS ORDINARY)	a credit	3	4
48: Leave Rations (DELREP LV RATS)		4	
49: Lump Sum Leave (LSL)			
50: Medical Additional Special Pay (AS)	a start		
51: Medical Board Certified Pay (BC)	an initial or credit	2	2
52:	a change	3	3
53: Medical Incentive Pay (MI)	an initial or credit	2	2
54: Medical Variable Special Pay (VS)	a change	3	3
55:	a start	4	
56: Nuclear Accession Pay	an initial or credit	2	2
57: Nuclear Continuation Pay (CN PAY N)			
58: Officer Promotion	an increase	3	3
59: One-Time Clothing/Uniform Allowance	a credit	4	4
60: Optometry Pay (OPTMY PAY)	a start or credit	1	1
61: Overseas Housing Allowance (OHA)	an increase		
62:	a start	4	4
63: Overseas Extension Bonus (EXOS BONUS)	a start or credit	1	1
64: Partial BAQ			
65: Pay Entry Base Date (PEBD)	an adjustment		
66: Personal Money Allowance	a start	3	3
67: Reenlistment Bonus (RRB) or (SRB)	an initial or start	2	2
68: Responsibility Pay (RESPON)	a start	3	3
69: Saved Pay (SAVDAY)		4	4
70: Sea Duty Service Counter (SEADUSVC)	an adjustment	1	1
71: Severance/Readjustment Pay (SYRNC/READJMENT)	a credit	2	2
72: Special Duty Assignment Pay (SDAP)	a start	4	3
73:	an increase	3	3
74: State Income Tax Withholding (SITW)	exemption decrease	4	4
75:	exemption increase	1	1
76: Submarine Duty Incentive Pay (CONSUB/OPSUB)	an increase		
77:	a start	4	3
78: Submarine Service Date (SSSD)	an adjustment	1	1
79: Temporary Lodging Allowance (TLA)	a credit	4	4
80: Variable Housing Allowance (VHA)	a start		
81:	an increase	1	1

- Notes:
1. For any checkages affecting net pay, payment category 4 applies.
 2. Only for activities with telecommunications capability to the central site; (i.e., Uniform Microcomputer Disbursing System (UMIDS), and Pay and Personnel Source Data System (SDS).
 3. CAP advancements are in payment category 4.
 4. For FSA-S, payment category 3 applies.

Figure 7-1. Supplemental payment categories.

Refer to figure 7-1 as we discuss the different payment categories.

Payment Category 2-Headquarters Computed Amounts

Payment in this category requires appropriate headquarters certifications of entitlements and amounts to be paid. Verification of entitlements and certification of amounts come from the Chief of Naval Operations (CNO), Bureau of Naval Personnel (BUPERS), DFAS - Cleveland Center, and Bureau of Medicine and Surgery (BUMED).

Payment Category 3-Delayed Supplemental Payment

Except as authorized by categories 5 and 6, make payment for changes in this category whenever one of the following events occurs first:

- On the first regular payday after the change reflects on the LES. For example, pay an increase in Flying Duty pay reflected on the July LES (received after the 1 August payday) on the 15 August payday.
- On the midmonth regular payday of the second month following the month the document effecting the change was transmitted. For example, your office transmits (by telecommunication) a NAVCOMPT Form 3062 to start Diving Duty pay for a member on 10 July and DFAS - Cleveland Center does not post the action through the August LES. Override the LES on the 15 September payday.

Payment Category 4-Immediate Supplemental Payment

Make payment for changes in this category on the first regular payday following disbursing's receipt of the copy of the document indicating the transmittal date to BUPERS or following the date the document is transmitted to DFAS - Cleveland Center, provided your office receives the change document within established local payday cutoff dates.

Payment Category 5-Nonestablished/Inactive Pay Accounts

This category includes payments to the following:

- Members not in receipt of an initial LES after reporting for active duty

- Members commissioned from enlisted status with over 4 years' creditable service wherein basic LES data is missing or incomplete
- Members whose accounts are in a noncompute status
- Members for whom the most recent available LES is more than 3 months old

Base payments on local computation for all pay actions except those contained in category 2. Take aggressive follow-up actions to establish or reestablish active pay accounts for members in this category.

Payment Category 6-Commanding Officer/Officer in Charge Directed Supplemental Payment

The member's CO or officer in charge (OIC) may direct deviation from payment guidance for categories 1 and 3 in individual cases to prevent a financial burden to a member in instances of extreme personal hardship. A CO places each individually considered payment authorization in writing. Each authorization includes a statement of the circumstances involved. The CO or OIC or one designated representative signs the authorization. The disbursing office files each authorization in the member's PFR where it remains for a period of 1 year.

PAYROLL NUMBERS

Each disbursing office maintains five series of military payroll numbers. Each series is limited to seven alphanumeric positions, including the alpha prefix. Each contains an abbreviation and a number, starting with the number 1 each fiscal year. Do not start over if one disbursing officer relieves another during the fiscal year (1 October through 30 September). The first payroll number in each series is as follows:

- N1 - Navy
- A1 - Army
- AF1 - Air Force
- CG 1 - Coast Guard
- MC1 - Marine Corps

Navy Payroll Numbers

Do not combine payments from the Military Pay, Navy (MPN) and Reserve Pay, Navy (RPN) appropriations on the same payroll. When paying reservists, use separate payrolls for each bureau control number/authorization accounting activity. Chapter 9 covers appropriation accounting and chapter 8 covers Reserve payments.

Certain Navy special payrolls contain an additional alpha prefix identifying the type of payment. When DFAS - Cleveland Center posts payments for specific items of pay and does not post the entitlement or vice versa, the MMPA becomes out of balance. Assignment of the additional prefix allows for simultaneous computation of both payment and entitlement transactions to post to the MMPA, controls the posting of specific items of pay, and reduces local supplemental payments. Use the following alpha characters to prefix the next available special payroll number assigned to identify the purpose of the payments.

SPECIAL PAYROLLS:

SN - ADVANCE LEAVE RATIONS
PN - ADVANCE PAY AND ALLOWANCES
IN - ADVANCE PAY D. ALLOTMENT
ZN - ADVANCE PAY PCS
RN - ADVANCE HOUSING ALLOWANCE
BN - BONUS (ACP, AOC, AS, NSA BONUS, NUC ACC BONUS, CN PAY N, COPAY N, RRB, EB, AND INITIAL SRB AND REGULAR SRB INSTALLMENTS)
DN - DEPENDENCY
LN - LUMP-SUM LEAVE
FN - MEDICAL INCENTIVE PAY (MI PAY) AND MEDICAL OFFICER RETENTION BONUS (MORB)
JN - MOVE-IN HOUSING ALLOWANCE (MIHA), MISCELLANEOUS
YN - MIHA, RENT
KN - MIHA, SECURITY
FN - NUCLEAR OFFICER INCENTIVE PAY (PAID 30 SEPTEMBER EACH YEAR) AND SRB (ADVANCED, ACCELERATED, OR REMAINING INSTALLMENTS)
UN - UNIFORM AND CLOTHING ALLOWANCES
XN - TEMPORARY LODGING ALLOWANCE (TLA)

COLLECTION PAYROLLS:

GN - HOUSEHOLD GOODS COLLECTION
QN - NAVY RELIEF COLLECTION
TN - TRAVEL COLLECTION
CN - OTHER COLLECTIONS, INCLUDING HEALTH AND COMFORT ISSUES

The previous alpha prefixes are current at the time of revision of this training manual. Consult the PAYPERSMAN, part nine, and the SDSPROMAN, volume II, part five, for the latest listing.

Other Services Payroll Numbers

Use Marine Corps payroll numbers MC1 through MC24 issued by DFAS - Kansas City Center for all regular payments to Marine Corps units when payment authorization is to be transmitted by DFAS - Kansas City Center by message or automated digital network (AUTODIN). Special payrolls begin with MC25 at the beginning of each fiscal year.

Payments to members of other services have a payroll number series 1 to 999 with the prefix of the appropriate service. Do not start a new series each fiscal year. Start over only when the last number in the series has been used.

REGULAR PAYMENTS

Locally, regular payday payments may be in cash or by check. When a member is paid two or more times on a payroll, separate entries on the Military Payroll Money List, NAVCOMPT Form 3056, are required for each payment and each payment must be for a different amount. This rule applies without regard to the method of payment; that is, cash or check.

COMPUTATION

Because LESs are produced and distributed on a monthly cycle, there are times when the LES forecasts of amount due do not reflect increases or decreases of pay caused by documents not yet processed by DFAS - Cleveland Center or BUPERS. To ensure accurate and timely payments, you must verify each pay document you received and refer to figure 7-1 to see if payment override is authorized. If so, you will adjust the forecasted amounts shown on the LES and pay the actual amount due.

If the member drew special pay since last payday, subtract the amount paid from the forecast due for the next payday.

When a current LES is not available, compute pay using the latest LES available. If there are no pay changes indicated, use the daily norm printed in the Remarks section of the LES. Multiply the norm by the number of days that elapsed since the date of the last payment. If there are pay changes, recompute the daily norm in the following steps:

1. Add basic pay and any continuing entitlements.
2. Subtract active allotments, taxes (federal and state, if applicable), Federal Insurance Contribution Act (FICA), Servicemen's Group Life Insurance (SGLI), and any continuing deductions.
3. Divide by 30 to get the daily norm.

Refer to figures 7-2 and 7-3 for sample LES override entries and computation of daily norm.

U.S. NAVY LEAVE AND EARNINGS STATEMENT									
NAME (LAST, FIRST, MI)		SSN	PAY GRADE	PAY RATE	PERIOD COVERED	PAY LOC			
HICAN MOE NMN		111 22 3333	ES	06034	01-31AUG91	42555			
EARNINGS		DEDUCTIONS							
BASIC PAY		1176.00	ADV PAY		80.00				
BAQ WITH DEPENDENTS		348.90	SGLI FOR 50,000		4.00				
SEPARATE RATIONS		176.70	FEDERAL TAX		87.60				
			FICA TAX		88.32				
			STATE TAX		31.65				
			CHARITY ALLOTMENT		2.00				
			SAVINGS ALLOTMENT		120.00				
TOTAL EARNINGS		1701.60	TOTAL DEDUCTIONS		413.57				
NET PAY (1701.60-413.57)		1288.03							
PAYMENTS POSTED SINCE LAST LES:									
01AUG91	601.96,	DSSN 7738,	NPR 0021C						
15AUG91	641.00,	DSSN 8522,	NPR 00871						
01SEP91	647.03,	DSSN 8522,	NPR 00963						
BASED ON CURRENT INFORMATION AT THE DFAS - CL EXPECTED TO BE: SEP91 MID-MONTH PAYMENT AMOUNT 641.00 SEP91 END-OF-MONTH PAYMENT AMOUNT 641.00									
REMARKS:									
TOTAL ADVANCE OF PAY 960.00 - BALANCE OUTSTANDING 720.00									
EXPIRATION OF RESERVE ENLISTMENT AS OF 12JAN93									
CHARITY ALLOTMENT FOR 2.00 STOPPED/DEDUCTED IN JUL91									
DAILY NORM EFFECTIVE 01SEP91 IS 42.74									
Member missed Sep91 mid-month payday, on Sep 20 his request for special pay is approved. PAY DUE Sep91 mid-month \$641.00 PAY THRU Sep 20 (5 days norm) 213.70 Member may draw \$854.70									
The DO may pay dollar amount only, at the option of the local command.									
Enter special payment in PAYMENTS block. Change amount due for Sep91 end- of-month payment.									
Type this amount due on money list for Sep91 end-of-month payment.									
9/29-427.40									

DATE PREPARED		DATE COVERED		DATE PAID		DATE RECEIVED		DATE DEPOSITED	
426.49 110958		26208 842.00		09SEP91		09SEP91		09SEP91	
Authorized deduction with transmittal number, date, and amount.									
D ALLOT (143-01) 6/1/89 200.00									
Type this recomputed amount on the NAVCOMPT 3056 for 15 June payday.									
6/15 321. 6/30 321.									

Figure 7-2.-Sample LES override entries.

EVENTS:
 20 OCT MEMBER IS DETACHED FROM OLD DUTY STATION AND DREW SPECIAL PAY.
 31 OCT MEMBER DREW SPECIAL PAY AS A TRANSIENT MEMBER EN ROUTE TO NEW PERMANENT DUTY STATION.
 13 NOV MEMBER REPORTED ABOARD NEW DUTY STATION. HE REQUESTED REGULAR PAY DUE ON 15 NOV. THIS LES IS THE LATEST ONE AVAILABLE. SEE NORM PAY COMPUTATION BELOW.

U.S. NAVY		LEAVE AND EARNINGS STATEMENT		01-30SEP91 42555	
JOHNSON JOHN JAMES		999-88-7777 E7 13-135300160000505350000			
BASIC PAY	1551.00	DEPENDENT DENTAL	7.86		
SEPARATE RATIONS	164.40	ADV PAY	49.00		
CONSUB PAY	295.00	ADV PAY	52.50		
		SGLI FOR 50,000	4.00		
		FEDERAL TAX	92.55		
		FICA TAX	116.48		
		BOND ALLOTMENT	12.50		
		CHARITY ALLOTMENT	2.00		
-----		-----			
2010.40		336.89			
=====		=====			
NET PAY 2010.40-336.89		1673.51			
		=====			
PAYMENTS POSTED SINCE LAST LES:					
01SEP91	836.00,	DSSN 5104,	NPR 16610		
15SEP91	836.00,	DSSN 5104,	NPR 16630		
BASED ON CURRENT INFORMATION AT THE DFAS-CL					
SEP91	END-OF-MONTH PAYMENT AMOUNT	836.81			
OCT91	MID-MONTH PAYMENT AMOUNT	836.00			
OCT91	END-OF-MONTH PAYMENT AMOUNT	842.00			
These were paid on regular paydays, 1 and 15 OCT.					
TOTAL ADVANCE OF PAY 1200.00 - B. L. R.					
STATE TAX OVERRIDE .00					
SRB ZONE B STATUS: INSTALLMENT 2/8/92					
DO FIGURES PAY, USING NORM METHOD.					
BASIC PAY	\$1551.00				
RATSSEP	164.40				
CONSUB PAY	295.00				
GROSS PAY-----	\$2010.40				
BOND ALLOT	\$12.50				
C ALLOT	2.00				
ADV PAY	101.50				
DDP	7.86				
SGLI	4.00				
FITW	92.55				
FICA	116.48				
DEDUCTIONS-----	\$336.29				
NET PAY-----	\$1673.51				
$\$1673.51 - 30 = \$55.78 \times 15 = \$836.70$					
Line out forecasted pay when a portion of this amount is paid on special payroll.					
DO at old duty station makes special payment.					
DO at old duty station refigures forecasted pay due as of 1 NOV.					
Norm pay due 15 NOV.					
DO en route makes special payment.					

Figure 7-3—Figuring daily norm on an expired LES.

MANUAL PAYDAY

At the time this training manual was revised, there were still a few of the smaller ships in the fleet that

are not on the Uniform Microcomputer Disbursing System (UMIDS). The disbursing offices in these ships are currently processing their regular payrolls manually. Eventually, UMIDS or other types of

automated payroll systems will be used aboard these ships.

The Navy is leaning toward a cashless and checkless payday processing since the implementation of DDS Navywide and automated teller machines (ATMs) and split pay option (SPO) aboard ships. The long-term goal of the Navy is to have every active duty member, civilian employee, reservist, retiree, and annuitant enrolled in DDS. With this in mind, we will cover only the important aspects of the cash and check payday processing. Detailed procedures are found in the PAYPERSMAN, part four, and the SDSPROMAN, volume II, part five.

Cash Payday Procedures

Using the LESs in the payroll file, prepare the Military Payroll Money List, NAVCOMPT Form 3056/3056T, before payday. A copy of the money list is displayed showing the social security number (SSN) and amount, in whole dollars, due each member. The amounts due are taken from the forecasted amount in the Remarks section or Field Use Only section, Notation of Amount Due block of the LES as shown in figures 7-2 and 7-3. As a Privacy Act requirement, do not enter names on part 4, the display copy. Additional instructions about the display copy, part 4, are shown in figure 7-4. We will only illustrate the NAVCOMPT

Form 3056, a four-part interleaved form, in this chapter. Detailed descriptions and procedures for the preparation and the distribution of NAVCOMPT Form 3056T, prepared and mailed from DFAS - Cleveland Center, are contained in the PAYPERSMAN, part nine, and the SDSPROMAN, volume II, part five.

IDENTIFICATION OF PAYEES.— Pay regulations hold disbursing officers accountable for making payments based on a fraudulent or forged signature. To protect the disbursing officer from making such payments, the member is required, to the satisfaction of the disbursing officer or paying agent, to present positive identification before the member is paid. Usually, an Armed Forces ID card must fulfill this requirement. However, temporary ID cards must be supported by other identification such as a driver's license. The disbursing officer or paying agent should not accept or require a signature on part 2 of the money list in advance of payment.

COMPLETION AND VERIFICATION OF MONEY LIST ENTRIES.— When the amount of cash paid has been balanced against the total of cash payments entered on part 2 of NAVCOMPT Form 3056, complete parts 1 (original) and 3. Parts 1 and 3 should be intact and still attached to the alignment stub. Use the alignment stub to realign the original so that the amounts paid are properly aligned with members' SSNs and

1. PAYROLL NO.		2. DSSN	3. P.G.	4. DATE PAID (YRMONDA)	5. DATE COMPUTED (YRMONDA)	6. VOU. NO.	7. PAGE NO.
		5090	1	91JUL15			1
SSN	NAME (LAST, FIRST, MIDDLE INITIAL)	AMOUNT PAID	AMOUNT DUE OR CHECK NUMBER				
111-22-1111	DO NOT ENTER NAMES	\$	236.				
222-11-2222	ON PART 4, THAT IS,	\$	178.				
333-44-3333	THE PREPAYDAY DISPLAY	\$ 150.00	285.				
444-33-4444	COPY--PRIVACY ACT	\$	292.				
555-55-5555	REQUIREMENT	\$	216.				

NAMES SHOULD BE LISTED IN THE SAME ORDER IN WHICH THE LESs ARE MAINTAINED IN THE PAYROLL FILE. THIS APPROACH ENABLES THE PAY ACCOUNT CLERK TO PROCESS THE PAYROLL AND THE VERIFICATION MORE QUICKLY AND ACCURATELY.

THE MEMBER WILL DELETE THE IN-SCRIBED AMOUNT DUE AND ENTER THE DESIRED AMOUNT DUE IN THE AMOUNT PAID COLUMN FOR PAYMENT ON PAYDAY.

Figure 7-4. Copy of money list displayed before cash payday.

names. Additional instructions in the completion of the money list are shown in figure 7-5.

VERIFICATION TAPES.— Run adding machine tapes of the Amount Paid column of parts 1 and 2 of the money list. Both tapes must agree. In addition, they must also agree with the cumulative total of page totals recorded in block 104 or 105 of NAVCOMPT Forms 3056 assigned to the payroll and the total count of cash paid on the pay line.

THREE-WAY READ-BACK.— As a final step in the verification process, three members of the disbursing office staff verify proper entries on the money list and LES. This is done as follows:

- One person reads aloud the payee's SSN from part 1 of the money list.
- The second person reads aloud the member's name from the LES.
- The third person reads aloud the amount paid the member from part 2 of the money list.

After the read-back the second person runs a tape of the LES entries. The LES tape must agree with the verification tapes of parts 1 and 2 of the money list. All three persons sign the tape he or she prepared and attach the tape to the retained copy of the payroll.

LES ENTRIES-REGULAR PAYDAY PAYMENTS.— Regular payments are noted in the Field

First copy NAVCOMPT 3056
DO's financial returns.

Copy amounts from the displayed copy.

Member on leave.

Members sign for cash payment.

Member did not appear in payline. Delete the amount typed.

Member listed on the daily Unauthorized Absentee Report

Original NAVCOMPT 3056
Daily transmittal (Group 1).

Copy amounts from the payline copy.

If a member's name appears on the 1st copy and he did not draw any pay, type 00 in the AMOUNT PAID column.

MILITARY PAYROLL MONEY LIST						
1. PAYROLL NO.	2. DSSN	3. P.O.	4. DATE PAID (YYMMDD)	5. DA	6. NO.	7. PAGE NO.
N12	5090	3	91JUL15			1
8. SSN	9. NAME (LAST, FIRST, MIDDLE INITIAL)	10. AMOUNT PAID	11.	12.	13.	14.
111-22-1111	BAKER, MARTIN NMN	00				
222-11-2222	CALDWELL, JOHN M	178.				
333-44-3333	LOVICH, EDWARD J	100.				
444-33-4444	NICHOLS, DANIEL E	00				
555-55-5555	WEBER, ALFRED H	00				

Figure 7-5. First copy and original money list after cash payday.

Use Only section, Payments block of the LES. Recompute the forecast of pay of members who drew less than the amount due or drew no pay. Line out the next payday forecast in the Remarks section and enter the new forecast in the Held Use Only section, Notation of AMT Due block of the LES.

PREPARATION AND DISTRIBUTION OF PAYROLLS.— Detailed instructions to prepare and distribute the Military Pay Voucher, NAVCOMPTForm 3055, are contained in the PAYPERSMAN, part nine, and the SDSPROMAN, volume H, part five. See figure 7-6.

NFC USE ONLY		3055		NFC USE ONLY	
MILITARY PAY VOUCHER					
1. VOU. NO 254		2. TOTAL PAGES 12		3. PAYROLL NO N36	
4. DEPARTMENT				5. PURPOSE OF PAYMENT REGULAR	
6. ORGANIZATION AND LOCATION NAVSUPPACT FPO, NEW YORK 09510				7. PAID BY NAVSUPPACT FPO NY 09510	
<div style="border: 1px solid black; padding: 5px; display: inline-block;">These dates must agree</div>				15 JAN 91	
				SYMBOL 7220	
8. SSN				9. MEMBER'S NAME (LAST, FIRST, MIDDLE INI)	
<div style="border: 1px solid black; padding: 5px; display: inline-block;">The DO or his authorized representative will sign here. Facsimile signature is not authorized.</div>					
I CERTIFY THIS VOUCHER IS CORRECT AND PROPER FOR PAYMENT INDICATED BELOW.					
10. DSSN 7220		11. TYPED NAME OF DISBURSING OFFICER J. W. WALLACE		12. SIGNATURE OF DISBURSING OFFICER <i>J. W. Wallace</i>	
AS AGENT OFFICER TO THE ABOVE DISBURSING OFFICER, I CERTIFY THE AMOUNTS SHOWN ON THE ATTACHED MONEY LISTS HAVE BEEN PAID BY ME TO MEMBERS LISTED THEREON AFTER PROPER IDENTIFICATION.					
13. DATE PAID (YAMONDA) 91JAN15		14. SIGNATURE OF AGENT OFFICER			
15. COUNTRY CODE UK110					
16. APPROPRIATION MPN 91 71110					
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Enter fiscal year and functional account number</div>				17. P.G. 1	
				18. AMOUNT \$ 20,546.28	
19. APPROPRIATION MPN 91 71130				20. P.G. 3	
				21. AMOUNT \$ 13,322.71	
22. APPROPRIATION				23. P.G.	
				24. AMOUNT \$	
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Show portion of payroll paid in foreign currency and DO's rate of exchange.</div>				26. P.G.	
				27. AMOUNT \$	
PAYROLL INCLUDES \$123.15 STERLING = \$1.715				28. TOTAL AMOUNT \$ 33,868.99	
PAYMENT DATA					
CHECK PAYMENT	29. AMOUNT \$	30. PAID BY CHECK NUMBERS TO INCL.			
CASH PAYMENT	31. AMOUNT \$	32. SIGNATURE OF PAYEE (FOR AN INDIVIDUAL CASH PAYMENT)			
I ACKNOWLEDGE RECEIPT OF CASH PAYMENT IN AMOUNT STATED.					
<div style="border: 1px solid black; padding: 5px; display: inline-block;">VALIDATION ERROR</div>					
NAVCOMPT FORM-OCR 3055(4 PT) (6-72)					

Figure 7-6. NAVCOMPT Form 3055 covering regular payroll.

Check Payday Procedures

Payment by checks is the preferred method of processing regular paydays. Check payday reduces cash handling and cash movement.

PROCEDURAL DIFFERENCES FROM CASH PAYDAY.— The procedures on regular paydays, when all members are paid by check, differ from cash paydays as follows:

- The money list is not required to be displayed before payday.
- The money list entries are verified before payment is made.
- Payment may be for the total amount due (dollars and cents).

Only parts 1, 2, and 3 of the money list are required. Additional copies are prepared to meet local needs.

PREPARATION OF CHECKS.— The methods of preparing checks and other payment documents vary

depending on the equipment and personnel available to each local disbursing office. Whatever method your activity uses, follow the minimum requirements for check preparation, verification, and distribution found in the PAYPERSMAN, part four, and the SDSPROMAN, volume II, part five.

Use and issue checks in strict numerical sequence. Spaces allotted on the printed check form for specific information are only for the purposes intended. Fill all spaces in a manner that would prevent alteration or addition that would lead to forgery or fraud. The completed check should have an orderly appearance and all parts should have good legibility for accurate reading in rapid handling. When preparing checks by typewriter, make sure the ribbon is not the correctable type.

Erasures, alterations, overprinting, and imperfect figures or letters are not permitted. When such errors occur, mark or stamp the check "voided" or "spoiled" and issue a new check. However, if an imperfect check is inadvertently issued and is returned by the payee, the disbursing officer may write or type the correct data on

United States Treasury 19 00
NAVY
PENSACOLA, FLORIDA

FULL NAME OF PAYEE IF THERE IS SUFFICIENT SPACE
Pay to the order of **FRED ELMER KROGER**

ENTER SERIAL NUMBER HERE WHEN PREPARED MANUALLY
Check No. **5194-25114316**

DATE
15 AUG 91

INDICATE AMOUNTS BY BOTH WORDS AND FIGURES
*****235.05*
*****235 DOLLARS 05 CTS

CHECK SERIAL NUMBER
5194-25114316

SPECIAL INFORMATION SECTION: DISTRIBUTION CODE, SSN, PAYROLL OR DOV NUMBER
FNVS 03
555 66 1111
NOV 81

SERIAL NUMBER ENTERED HERE WHEN MACHINE-PRINTED
25114316

SIGNED BY D.O. OR DEPUTY D.O. MANUALLY OR WITH A SIGNATURE PLATE
VOID AFTER ONE YEAR
U.S.N. DISBURSING OFFICER

Figure 7-7.—Sample regular payday check.

the check if careful inspection reveals that the imperfection is not the result of a fraudulent attempt to alter the amount or any other attempt to defraud. After the correction is certified over the disbursing officer's official signature, the check is returned to the payee. See figure 7-7.

Serial Number.— Except for control (replacement) checks, discussed later, do not change the preprinted serial number on each check. In some cases, it is necessary to type the number on the check beneath the preprinted number so that it will appear on the record of checks drawn.

Date of Issue.— Checks are predated with the date of the scheduled payday. Check-signers equipped with date bands may be used as long as the location of the stamped date does not interfere with preprinted data or other data to be printed or typed on the check,

Payee's Name.— Show the payee's name in such a manner as to assure positive identification. When the payee has an often-used surname, such as Jones or Smith, use the full given name instead of initials to provide a positive identification of the rightful payee. Use initials only in cases where the length of the surname would leave insufficient space for the full first name. Show SSNs and addresses when a name is insufficient for positive identification.

Amount of the Check.— The amount shown in the Amount Paid column of the NAVCOMPT Form 3056 or 3056T is the amount of the check. The writing of the amount of a check in words as well as in figures provides the disbursing officer and the Treasury greater safety against the alteration of amounts. Examples of both numeric and written dollar amounts are as follows:

WRITTEN AMOUNT:	NUMERIC AMOUNT:
\$ *** 336and85cents	\$***336.85*
\$***336and85/100	
\$***336.85	
****336DOLLARS85cts	

When preparing checks on checkwriters incapable of writing words, write both the numeric and written amounts in the same format as prescribed for the numeric dollar amount; for example, \$*****298.75*.

Other Special Information.— The disbursing officer may enter a brief notation showing the specific reason for issuing the check if he or she so desires. Such notation might be N100 to indicate the Navy payroll number or DOV10009 to indicate the public voucher number on which payment was made. The member's SSN and check distribution code are also entered in the special information area.

Signature.— The disbursing officer or deputy disbursing officer signs manually or uses the signature plate when a check-signer is available. Manually signed checks must have a preprinted signature line and title. Facsimile rubber stamps are not authorized.

All U.S. Treasury checks issued on or after 1 October 1989 bear the legend Void After One Year. Checks must be negotiated to a financial institution within 12 months of the date on which the check was issued. For more detailed check preparation procedures and policies concerning the limited playability of U.S. Treasury checks, consult the *NAVCOMPT Manual*, volume 4, chapter 4.

VERIFICATION TAPES.— When preparing checks by typewriter, run adding machine tapes from the check or check record and on the Amount Paid entries on the NAVCOMPT Forms 3056 and/or 3056T. These two tapes must agree.

THREE-WAY READ-BACK.— Use the same three-way read-back procedure prescribed for a cash payday for a check payday. Also run an LES verification tape on the amounts on the LES and parts 1 and 2 of the money list. Use the same signature requirements on the tapes as done for a cash payday.

CHECK/LES/DDS/ADVISORY DISTRIBUTION.— Regular paycheck, monthly LES, and DDS advisories are delivered by any of the following methods, as selected by the member or the CO:

- By hand to the member after proper identification.
- By mail to the member on TAD or on leave if requested. Before departing, the member provides you with a stamped, self-addressed envelope. Payroll checks are mailed not more than 3 working days before payday.
- To a third party after receiving a written authorization from the member. The authorization must specify the duration of the authority. The third party signs a receipt for the check/LES/DDS advisories and also signs a statement regarding the penalties of violating the Privacy Act.
- To a third party for distribution within a command or unit. The CO, OIC, or executive officer (XO) designates in writing an appropriate number of members to pick up and distribute check/LES/DDS advisories. The number of designees should normally not exceed two per disbursing designated check distribution codes. The designation letter, with the designees' signatures, also contains the Privacy Act

statement. The designee signs for receipt of the check/LCS/DDS advisories.

Checks may be distributed early to commands, but not more than 1 day before payday provided the disbursing officer determines there are adequate safeguards to make sure checks will not be distributed to the members before payday.

RECORD AND DISPOSITION OF CHECK ISSUES.— Disbursing officers maintain a record of every check issued by their symbol. The record contains at least the following:

- Name of the payee
- Amount
- Check symbol number
- Check serial number
- Date of the check

Other information as to the purpose for which the check was issued, document numbers, and local identification codes and numbers is optional and subject to the discretion of the disbursing officer. The record may be on paper or on a media designed for data processing use (paper tape, diskette, or magnetic tape). A copy of the money list is also used as a check record. Records of check issues are included in the retained disbursing records. Preparation and rendition of checking account returns are discussed in chapter 13 of this training manual.

Spoiled Checks.— When a check is misprinted or mutilated during the issue process or returned by the payee as uncashable due to a defect in the check itself and another check must be issued in its place, a control check is used as the replacement check. A control check does not contain a preprinted serial number. Instead, it is preprinted with a number called a control number at the bottom center edge of the check. A control check that is misprinted or mutilated during the issue process is also spoiled and replaced by another control check. Render all spoiled checks nonnegotiable by typing or stamping the following words on the face of the check:

SPOILED - NOT NEGOTIABLE;
REPLACEMENT ISSUED UNDER
CONTROL NUMBER (enter control
number of replacement check)

Voided Checks.— A check is classified as voided when it is misprinted or mutilated during the issue process and not replaced by a control check but replaced

by another check bearing a different serial number. Deface and render voided checks nonnegotiable by typing or stamping the following words on the face of the check:

VOID - NOT NEGOTIABLE

Include voided checks on the check record as check issues having zero (0) dollar values. When voiding a payroll check, report the check number on the money list and delete or report as zero the corresponding entry in the Amount Paid column.

Store voided checks in the disbursing officer's safe separated from all other checks. At least once a month have voided checks destroyed locally by burning or shredding. Prepare a certificate of destruction listing the serial numbers and method of destruction. Have the disbursing officer and the witnesses certify destruction by having them sign this certificate.

Canceled Checks.— After determining that the payee is not entitled to the proceeds of a check, cancel the check. When canceling a check after the payroll is transmitted, you must take the following actions:

- Prepare a NAVCOMPT Form 3060 as prescribed in the PAYPERSMAN, part four, and the SDSROMAN, volume H, part five.
- Enter a memorandum entitlement in the Field Use Only section of the LES.
- Pay the member the amount due on a special payroll when requested; otherwise, add this amount to the amount due on the next regular payday.

Canceled checks are deposited to the appropriate Federal Reserve bank. Deposits are covered in chapter 12 of this training manual. Type or stamp the following legend on the face of each canceled check:

NOT NEGOTIABLE - FOR PAYMENT
AND CREDIT IN THE TREASURER'S
ACCOUNT.
D.O. SYMBOL _____

Undelivered Checks.— Keep all undelivered checks in a safe and tiled in an order best suited for ready identification when claimed or for mailing to a proper address. Maintain a record that includes identification of the check, voucher number, date of return, disposition, and date of disposition.

The disbursing officer will attempt to make delivery of each check prepared to the payee. When delivery cannot be made within 60 days after the month of issue,

cancel undelivered checks, collect to the credit of the issuing appropriation or to a suspense account, and deposit to a Federal Reserve bank. Return undelivered checks prepared and issued by another disbursing officer to the issuing office by registered mail within 2 weeks with an explanation of the cause of nondelivery.

LOST CHECK CLAIMS.— Report to the disbursing officer vouchered and issued checks that are lost, stolen, mutilated, or not received by the payee. This report must be done within 6 years from the date of issue

of the check or the claim is barred under the statute of limitation for claims against the government.

Checks unavailable to the payee and/or the disbursing officer and for which entitlement to the payment exists may be replaced by a new check called a successor check provided the original check is not more than 12 months old. Under all circumstances, the disbursing officer must obtain a statement, in writing, from the payee before issuing a replacement or successor check. The form and content of the statement are similar to figure 7-8.

STATEMENT OF NONRECEIPT OR LOSS OF CHECK	
Date _____	
<p>I am entitled to payment of \$ _____ for (complete one of the following): <input type="checkbox"/> Regular Pay _____ (pay period dates)</p> <p><input type="checkbox"/> Travel Pay _____ <input type="checkbox"/> Vendor Payment _____ <input type="checkbox"/> Other _____ (dates travel performed) (contract or invoice no) (purpose and dates)</p>	
<p>I never received this payment because the check was: <input type="checkbox"/> Not Delivered; <input type="checkbox"/> Lost; <input type="checkbox"/> Stolen; <input type="checkbox"/> Destroyed; <input type="checkbox"/> Other _____ (give explanation)</p>	
<p>The check was received and endorsed before being lost or stolen: <input type="checkbox"/> YES <input type="checkbox"/> NO.</p>	
<p>The endorsement read _____ (indicate manner in which check was endorsed)</p>	
<p>Explain how the check was lost/stolen/destroyed: _____ (use additional form if required)</p>	
<p>CERTIFICATION:</p> <p>I certify that if at any time I recover the original check described above, I will return it immediately to the disbursing office. I understand that by the issuance of a successor check to replace the missing original check, I am entitled only to the proceeds of the successor check. I understand that if I willfully and knowingly negotiate both checks, I am committing an act of fraud against the U.S. Government and that civil, criminal and/or disciplinary action may be taken against me. I further understand that if after an investigation and an opportunity to be heard, it is determined that I have negotiated both checks, I will be required to repay the value of the original check. If I do not repay when requested, I consent to having the total amount withheld from my next scheduled payroll check, vendor payment or collected by any other means available to the U.S. Government.</p>	
<p>Payee _____ (signature)</p>	<p>_____ (number, street, apartment number)</p>
<p>_____ (area code and telephone number)</p>	<p>_____ (city, state, zip code)</p>
<p>Co-payee _____ (signature)</p>	<p>_____ (area code and telephone number)</p>
<p>_____</p>	
<p>FOR DISBURSING OFFICE USE ONLY</p>	
<p>Original Check Number _____ DSSN _____ Issue Date _____</p>	
<p>Voucher Number _____ Amount _____</p>	
<p>DO Signature _____ Date _____</p>	

Figure 7-8. Statement of nonreceipt or loss of check.

Explain to the payee that if he or she negotiates both checks, the statement could be used to establish fraudulent intent. The authority to issue successor checks rests solely with the disbursing officer; therefore, as is the case with all other check issues and disbursements, the disbursing officer is held personally and pecuniarily liable for all illegal, erroneous, or improper disbursements of public funds by successor check. Issuance of successor checks is vouchered on a Voucher for Disbursement and/or Collection, NAVCOMPT Form 2277.

Additionally, cancel the unavailable check by preparing the Unavailable Check Cancellation, Standard Form 1184, and forwarding this form to DFAS - Washington Center who, in turn, will consolidate the input for submission to the U.S. Treasury. To provide the necessary cross-reference and control over unavailable check cancellations, use a locally set up successor check log and include it in the disbursing officer's relief file.

For detailed procedures in processing the NAVCOMPT Form 2277 or Standard Form 1184, consult the NAVCOMPT Manual, volume 4, chapter 4.

AUTOMATED PAYROLL PROCESSING

Computers make possible the goal of the Navy to automate processing of payrolls and transmission of pay data to DFAS - Cleveland Center. An overview of the source data system (SDS) and UMIDS was discussed in chapter 5 of this training manual. One of the primary reasons for these systems was to automate the processing of payrolls.

Automated payrolls save time. You do not have to type money lists or checks manually. UMIDS automatically computes most computations of pay amount due each payday. With SDS, the pay amount due computation is done directly on the MMPA from DFAS - Cleveland Center and transmitted to the local disbursing office every payday. However, you are still required to verify the amount if it is different from the amount forecasted on the LES. You should be able to explain to members why they receive more or less than what is showing on the LES.

UMIDS Payroll Processing

Before commencing payroll production, there are two tasks that you need to do. First, make sure you have a current backup of your database and second, generate a suspense listing. This is a listing of all members in a suspense status and enables you to identify whether or

not these accounts should remain in a suspense status before you begin payroll processing.

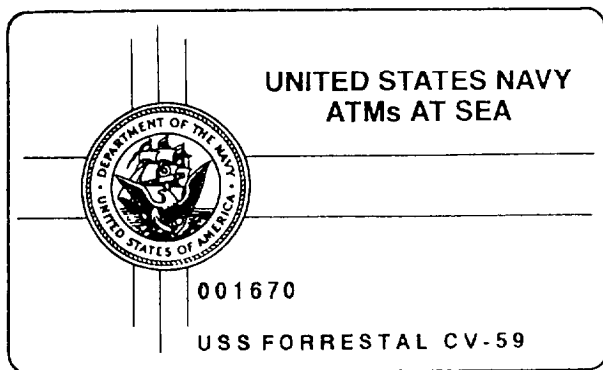
The *UMIDS Users Manual* contains procedures for processing regular and special payrolls. It guides you on how to prepare check or cash payrolls, and it also has the capability to generate DDS advisory reports and individual slips for the DDS member. The manual includes explanations on how to do the payroll computation verification, generate the money lists and NAVCOMPT Form 3055, print checks or establish cash payment amounts, and produce reports needed to support the disbursing officer's financial returns.

AUTOMATED TELLER MACHINE AT SEA.— The ATM at sea is a fully self-contained hardware and software system that provides shipboard personnel with a secure means of safekeeping and ready access to their personal funds. After the payroll is processed through UMIDS, the member's net pay is transferred to his or her ATM account.

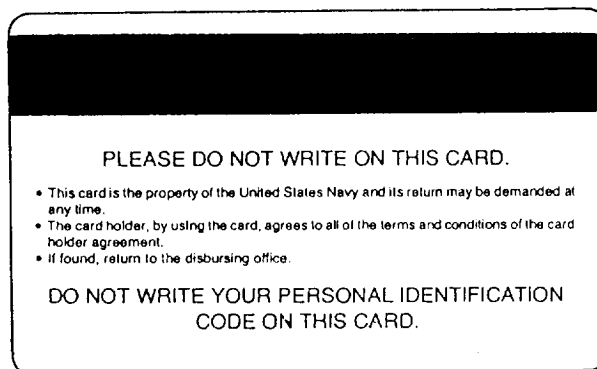
To access funds while on board, crew members must have an ATM account and must be issued an ATM card. This allows them to gain access 24 hours a day to the ATMs on board. The card lets the crew member withdraw, in multiples of \$5, as much as the full balance of his or her funds from the ATM. It also allows crew members to use the ATM to inquire into account balances. The ATM card, shown in figure 7-9, can be used only in the ATMs aboard the cardholder's assigned ship.

Members can also use the ATM at sea to secure their personal funds, other than net pay, by depositing them in their ATM account instead of keeping them in their lockers. This deposit feature allows a member on DDS to open an ATM account for personal convenience. Other benefits of the ATM at sea include the following:

- Less time spent in pay, check cashing, and money order lines
- Significant reduction in man-hours lost on payday
- Reduction in theft of personal funds aboard ship
- Reduction in the number of checks issued and check cashing and check deposit problems
- Reduction in cash handling and cash movement about the ship
- Reduction in special payments
- Improved morale and quality of life



(FRONT)



(BACK)

Figure 7-9.-ATMs At Sea card.

The *NAVCOMPT Manual*, volume 4, explains the establishment of ATM accounts, security and system passwords, custody of ATM cards, balancing procedures, and required reports. Actual maintenance procedures of the hardware associated with the ATM are in the *ATM at Sea User Documentation Manual* published by the National Cash Register (NCR) Corporation.

SPLIT PAY OPTION.— The SPO provides members with an additional choice on how they receive their pay, while at the same time reducing associated efforts spent for other pay-related functions such as check cashing. It allows members on DDS and assigned to afloat units the alternative of receiving a portion of their net pay due on payday, in cash, via their ship's ATM, while the remaining balance is deposited in an account at the financial institution of their choice.

To be eligible for the SPO, a member must meet the following criteria:

- Be assigned to an afloat unit that uses UMIDS and has an ATM installed
- Be enrolled in DDS
- Have a balanced pay account (member is not in an overpaid or underpaid status)
- Have an account established in the command's ATM

A member may start the SPO at any time, provided the previous eligibility criteria are met. Once enrolled, the elected per payday SPO amount is deposited into the member's ATM account. With the exception of external actions affecting a member's pay status (fines, forfeitures, indebtedness, allotments, and so forth), the

SPO amount is not changed for a minimum of 3 months after the initial election is made. Subsequent changes are also required to run for a minimum period of 3 months. Initial election and changes in the SPO amount are made in whole dollars and increments of \$5.00.

The *UMIDS User Manual* contains additional instructions and detailed procedures in the preparation of enrollment forms and input documents and proper reconciliation of payrolls process under SPO.

SDS Payroll Processing

The disbursing officer determines payroll production schedules for regular payrolls. Every effort is made to process all transactions by these dates. Payroll production begins by setting up preselected parameters and producing a working money list to review and update the payroll. Changes to the payroll are made until an accurate, smooth copy of the working money list is obtained. Once there are no further changes to the payroll, check production can begin. After check production is completed, the necessary supporting documentation and reports are obtained.

Step-by-step procedures in processing an SDS payroll are found in the *SDSPROMAN*, volume II, part five.

Verification Process (Automated Payroll)

You do not need verification tapes when processing the payroll in UMIDS or SDS. The totals on the reports produced during and after payroll processing must agree.

The local disbursing officer maintains controls to make sure names and check amounts agree with names

and amounts printed on the supporting documentation and reports. This is done by doing a two-way read-back on the printed checks and money lists.

Procedures for distribution of payroll vouchers and associated reports are the same as that prescribed for manual processing of payrolls. Additional copies are printed or reproduced to meet local needs.

SPECIAL PAYMENTS

Special pay is defined as a payment made to a member between regularly scheduled paydays. Special pay is made to a member as the need arises, but is normally limited to bona fide emergency or hardship cases. Special pay is also made to special categories of personnel such as the following:

- Recruits
- In-transit personnel
- Reservists called to active duty for 30 days or more
- Personnel joining or being detached from a duty station
- Members entitled to bonuses or lump-sum leave payments.

APPROVAL

The member's CO or OIC approves all requests for emergency and hardship special payments. When this authority is delegated, the delegating official gives the disbursing officer written authority of this delegation. The authorizing letter contains the sample signature of any person given approval authority. The disbursing officer maintains a current file of these authorizations.

COMPUTATION

Determine the net amount due from the information appearing on the member's latest LES. If using the Remarks section of the LES, pay the forecasted amount due as of the applicable date shown. In addition, pay the daily norm multiplied by the number of days that elapsed since the date of the forecasted amount due.

If necessary, recompute the daily norm to include new entitlements and/or deductions in the Field Use Only section, Entitlements and Deductions blocks of the member's current LES, shown in figure 7-3.

SPECIAL PAYMENT PROCEDURES

To prepare the working copy of the NAVCOMPT Form 3056 (money list) for special payments, remove part 2, making sure parts 1, 3, 4, and the alignment stub remain intact. Use part 2 to record, in the order paid the SSN, name, and amount paid applicable to each payee. This copy is not scanned, so make entries on any type writer or hand-print them. Prepare separate pages for members in different pay groups.

If paying a member by check, type the check number on parts 1 and 3 of the money list, opposite the amount paid. A member paid in cash signs his or her name in the column to the right, opposite the amount paid. If the member drew both cash and check payments on the same payroll, make separate entries. When making two or more payments to the same member on the same payroll, you must make each payment for a different amount.

Earlier in this chapter we discussed the assignment of additional alpha prefixes on special payroll numbers to identify the type of payment of specific items of pay. You can report different payroll prefixes on a single payroll, except collection and cross-disbursing (other services) payroll prefixes. Show a prefix payment in the name field by a slash (/) and an alpha prefix following the member's name, as shown in figure 7-10. After the alpha prefix, you can also enter the number of months of liquidation if other than the normal liquidation schedule for advance pay payments. For regular special payments you need only to indicate the member's name in the Name block of the money list.

Enter all payments in the Field Use Only section, Payments block of the LES and change the forecasted pay due for the next payday, if applicable. Close and forward special payrolls to DFAS - Cleveland Center daily. Use a covering NAVCOMPT Form 3055 for each payroll.

The procedures we covered apply when you need to pay several members special payments on the same day and both NAVCOMPT Forms 3056 and 3055 are to be mailed to DFAS - Cleveland Center for scanning. When reporting the payment on UMIDS or SDS, use any part of the money list as a working copy. Also, if there is only one special payment made to a single member, pay the member directly on the NAVCOMPT Form 3055. In figure 7-6, fill out blocks 8 and 9 and the applicable blocks in the Payment Data (bottom) section of the NAVCOMPT Form 3055.

3056

MILITARY R

Type the member's name, slash (/) and the prefix payment. 2 indicates an ADV PAY (PCS) with a repayment schedule of 12 months and I indicates an ADV PAY D ALLOT with a repayment schedule of 6 months.

1. PAYROLL NO. 2. SSN 3. P.G.

4. 444-22-4444 5. SORIANO, T E/R 6. 1000

7. 111-00-1111 8. MASANTAI, S/IQ5 9. 4000

10. 000-11-0000 11. SALVATIERRA, F A 12. 4000

13. 333-11-3333 14. PINTOR, D C/B 15. 12000

16. 111-33-1111 17. COOK, M A/B 18. 8000

Name, slash and the prefix 8 indicates a bonus payment. Name without a slash indicates a special payment.

Type the member's name, slash (/), the prefix payment and the repayment schedule. 2 indicates an ADV PAY (PCS) with a repayment schedule of 24 months. I indicates an ADV PAY D ALLOT with a repayment schedule of 5 months.

PAID BY CHECKS. CHECK NUMBERS ENTERED IN PARTS 1 AND 3

84. 666-77-6666 85. KINZEL, DAVID NMN 86. 304

87. 777-66-7777 88. GARNER, CARL L 89. 220

90. 888-99-8888 91. NICHOLS, DANIEL E 92. 679.32

93. 999-88-9999 94. RANDOLPH, R H 95. 195.57

96. 111-99-1111 97. RANDOLPH, R H 98. 600

99. 100. 101. 102. 103. 104. AMOUNT PAID 105.

104. 50,257.26

VALIDATION ERROR NAVCOMPT FORM OCK 30 (2-73)

WHEN A MEMBER DRAWS MORE THAN ONE PAYMENT ON A PAYROLL THE AMOUNTS OF THE PAYMENTS MAY NOT BE THE SAME.

SHOW TOTAL AMOUNT PAID IN BLOCK 104 OF EACH PAGE.

Figure 7-10.-Part 2 of NAVCOMPT Form 3056 when used for special payments.

Pay special attention when using the NAVCOMPT Form 3055 as a cover for the multiprefix payroll. List the functional account number (FAN), pay group, and total amount for each FAN separately as shown in figure 7-6. Make sure you consult the PAYPERSMAN, the SDSPROMAN, and the *UMIDS User Manual* for more detailed procedures pertaining to special payments.

HEALTH AND COMFORT ITEMS AND UNIFORM ISSUES

Health and comfort (H&C) items and uniforms issued via pay account checkage apply only to members

in a pay status who are not being paid on a regular basis. The H&C issues are defined as regulation uniform items and other necessities including toilet articles, tobacco, postage stamps, and services required for the maintenance of personal appearance. The value of issues other than clothing items is \$35 per month per member. This amount is not cumulative.

ISSUE AND VERIFICATION

issues for uniforms and H&C items and services are requested on Clothing Requisition Receipt, NAVSUP Form 28/28A, or Request and Receipt for Health and

PAYMENT PROCEDURES

The member prepares the DD Form 504 or NAVSUP Form 28/28A, signs the request, and forwards the request to the CO. After verification of the member's military status is completed, the request is forwarded to the Navy exchange or ship's store officer. The items are then issued to the member and the original DD Form 504 or NAVSUP Form 28/28A is forwarded to the disbursing officer for payment.

If the member does not have an LES, you will open a NAVCOMPT Form 3071B for the member based on the confinement order or message report of return of the absentee/deserter. Prepare a separate NAVCOMPT Form 3056 daily for exchange and store issues. Enter the total cost from the DD Form 504 or NAVSUP Form 28/28A beside each member's name. Do not type the check number on the NAVCOMPT Form 3056.

[illegible]

Figure 7-11.-DD Form 504.

Prepare a NAVCOMPT Form 3055 as prescribed in the PAYPERSMAN, part nine, or the SDSPROMAN, volume II, part five. To complete the payment process, type a check payable to the Navy exchange, ship's store, retail clothing store, or clothing and small stores, as applicable, for the amount indicated in field 29 of the NAVCOMPT Form 3055.

Forward a copy of the NAVCOMPT Forms 3055 and 3056 with the check to the Navy exchange or stores officer. Attach the original DD Form 504 or NAVSUP Form 28/28A to the retained copy of the payroll. Enter the payment in the Field Use Only section, Payments block of the member's LES or NAVCOMPT Form 3071A as an H&C payment.

When a member is separated from the service or the member's status cannot be determined, return the DD Form 504 or NAVSUP Form 28/28A to the Navy exchange or stores officer without payment. If the member is on training duty, enter TRAINING DUTY in red at the top of the form and follow payment procedures prescribed in the PAYPERSMAN, part eight, or the SDSPROMAN, volume II, part eight.

JUMPS PAYMENT RESOLUTION LISTING

When payments reported by a disbursing officer cannot be posted to an MMPA, DFAS - Cleveland Center prepares a Joint Uniform Military Pay System (JUMPS) payment resolution listing and mails it to the disbursing officer who made the payment. The listing identifies the member, payroll number, disbursing officer voucher (DOV) number, and date of payment.

Upon receipt of the listing, verify it as follows:

- Review all local records.
- For payments made to transients and transferred members, contact the member's current duty station to verify his or her identity.
- Submit an exception gain message when the member's SSN is on the listing, does not have an LES, and is on active duty for 30 days or more (other than active duty training).
- Correct non-JUMPS payments reported on scannable documents.
- Annotate the listing as NOT VERIFIED in bold red print beside those payments that cannot be verified.
- Make a copy of the listing and retain for future inquiries.

- Return the original annotated listing to DFAS - Cleveland Center (Code JJSXB) within 30 days of receipt.

PAYPERSMAN, part nine, chapter 5, contains procedural instructions for DFAS - Cleveland Center, the CO, and the disbursing officer to take when they suspect or discover fraud.

CENTRAL PAYMENTS

Normally, the local disbursing officer makes all payments to members on active duty. However, there are certain categories of personnel on which the only office authorized to maintain their accounts and make payments therefrom is DFAS - Cleveland Center.

Central payments are payments made by DFAS - Cleveland Center. Foremost in this type of payment is the Navy's DDS program. Other central payments include payments from accounts of deceased members, mental incompetents, and members in missing status.

DIRECT DEPOSIT SYSTEM

DDS provides Navy members with the automatic deposit of their net pay into a checking or savings account at the financial institution of their choice.

According to SECNAVINST 7200.17D of 7 June 1991, all members who enlist or accept a commission in the Navy must enroll in DDS. Individuals enrolled in an officer candidate school (OCS) and an aviation officer candidate school (AOCS), recruits in boot camp, and A school enrollees are exempt until they report to their first permanent duty station. At that time they have 90 days to enroll in DDS. Enlisted members currently on active duty must enroll in DDS as a condition of reenlistment. The same rule applies to reenlisting Reserves. Officers currently on active duty are exempt unless they resign their current commission and reaccept a commission at a later date.

Net pay is centrally computed at DFAS - Cleveland Center twice monthly. ADDS payroll tape is created and delivered to the Federal Reserve Bank (FRB) in Cleveland, Ohio, a few days before each payday. The FRB Cleveland electronically transmits payroll data to the various FRBs via their automated clearing houses and ultimately delivers the net pay data to the member's bank or credit union. This method is called electronic funds transfer (EFT).

DIRECT DEPOSIT SIGN-UP FORM

DIRECTIONS

- To sign up for Direct Deposit, the payee is to read the back of this form and fill in the information requested in Sections 1 and 2. Then take or mail this form to the financial institution. The financial institution will verify the information in Sections 1 and 2, and will complete Section 3. The completed form will be returned to the Government agency identified below.
- A separate form must be completed for each type of payment to be sent by Direct Deposit.
- The claim number and type of payment are printed on Government checks. (See the sample check on the back of this form.) This information is also stated on beneficiary/annuitant award letters and other documents from the Government agency.
- Payees must keep the Government agency informed of any address changes in order to receive important information about benefits and to remain qualified for payments.

SECTION 1 (TO BE COMPLETED BY PAYEE)

A NAME OF PAYEE (last, first, middle initial) ERDAL, GERRY S.		D TYPE OF DEPOSITOR ACCOUNT <input checked="" type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS	
ADDRESS (street, route, P.O. Box, APO/FPO) 6166 MICHIGAN AVE		E DEPOSITOR ACCOUNT NUMBER 9 8 7 6 6 7 8 9	
CITY PENSACOLA, FL	STATE 32526	F TYPE OF PAYMENT (Check only one)	
TELEPHONE NUMBER AREA CODE 904-466-6666		<input type="checkbox"/> Social Security <input type="checkbox"/> Supplemental Security Income <input type="checkbox"/> Railroad Retirement <input type="checkbox"/> Civil Service Retirement (OPM) <input type="checkbox"/> VA Compensation or Pension	
B NAME OF PERSON(S) ENTITLED TO PAYMENT ERDAL, GERRY S.		<input type="checkbox"/> Fed Salary/Mil. Civilian Pay <input checked="" type="checkbox"/> Mil. Active <u>NAVY</u> <input type="checkbox"/> Mil. Retire. <input type="checkbox"/> Mil. Survivor <input type="checkbox"/> Other (specify)	
C CLAIM OR PAYROLL ID NUMBER 888-66-4444 Prefix Suffix		G THIS BOX FOR ALLOTMENT OF PAYMENT ONLY (if applicable)	
PAYEE/JOINT PAYEE CERTIFICATION I certify that I am entitled to the payment identified above, and that I have read and understood the back of this form. In signing this form, I authorize my payment to be sent to the financial institution named below to be deposited to the designated account.		JOINT ACCOUNT HOLDERS' CERTIFICATION (optional) I certify that I have read and understood the back of this form, including the SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS.	
SIGNATURE <i>Gerry S. Erdal</i>	DATE 9/15/91	SIGNATURE	DATE
SIGNATURE	DATE	SIGNATURE	DATE

SECTION 2 (TO BE COMPLETED BY PAYEE OR FINANCIAL INSTITUTION)

GOVERNMENT AGENCY NAME NAVY	GOVERNMENT AGENCY ADDRESS DISBURSING OFFICER PSD CORRY STATION PENSACOLA, FL 32511-5000
---------------------------------------	---

SECTION 3 (TO BE COMPLETED BY FINANCIAL INSTITUTION)

NAME AND ADDRESS OF FINANCIAL INSTITUTION PEN AIR FEDERAL CREDIT UNION BLDG. 3464, NAVAL AIR STATION PENSACOLA, FL 32508		ROUTING NUMBER 5 5 1 1 8 8 2 3		CHECK DIGIT 7
		DEPOSITOR ACCOUNT TITLE		
FINANCIAL INSTITUTION CERTIFICATION I confirm the identity of the above-named payee(s) and the account number and title. As representative of the above-named financial institution, I certify that the financial institution agrees to receive and deposit the payment identified above in accordance with 31 CFR Parts 240, 209, and 210.				
PRINT OR TYPE REPRESENTATIVE'S NAME EARL Y. FAVOR	SIGNATURE OF REPRESENTATIVE <i>Earl Y. FAVOR</i>	TELEPHONE NUMBER 904-453-5353	DATE 9-29-91	

Financial institutions should refer to the GREEN BOOK for further instructions.

THE FINANCIAL INSTITUTION SHOULD MAIL THE COMPLETED FORM TO THE GOVERNMENT AGENCY IDENTIFIED ABOVE.

Figure 7-12. Standard Form 1199A.

DDS payments are deposited twice monthly on midmonth and first-of-month paydays and include the full amount due in both dollars and cents. The Department of the Treasury guarantees the availability of these funds on payday.

Pay computation cutoff dates must be thoroughly understood, carefully observed, and properly used by all personnel and disbursing clerks. DFAS - Cleveland Center must receive documentation before the 5th of the month to be included in the midmonth pay computation and before the 20th of the month to be included in the end-of-month pay computation. The importance of correctly preparing and handling input documents cannot be overemphasized. To ensure continued success of DDS, always comply with detailed instructions prescribed for each specific form.

Start Procedures

First, you must make sure the member's pay account is balanced before DDS is started. Members who have established an account with a financial institution can use the following sources to start DDS:

- A canceled or voided check or share draft
- A savings or checking account identification card
- An Interest Income Statement, IRS Form 1099-INT, issued by the financial institution
- A bank statement for the account from the financial institution

Sometimes information from a combination of the previous sources is needed to start DDS. If any of the previous account identification media are not available, the member must complete Direct Deposit Sign-Up Form, Standard Form 1199A.

Upon receipt of the Standard Form 1199A or other enrollment sources, verify the contents for accuracy, consider the midmonth and end-of-month cutoff dates, and advise the member of the approximate start date of his or her direct deposit. File the original or copy of the applicable enrollment form in the personal financial record (PFR) and prepare a Direct Deposit Election, NAVCOMPT Form 3073, and transmit it to DFAS - Cleveland Center.

Follow up to make sure the NAVCOMPT Form 3073 is posted to the MMPA and that the first direct deposit is posted to the member's account at the designated financial institution. The PAYPERSMAN, part four, or the SDSPROMAN, volume II, part four,

contains complete instructions in the preparation and distribution of the Standard Form 1199A and NAVCOMPT Form 3073. See figures 7-12 and 7-13.

Stop Procedures

DDS is terminated whenever a member separates from the service, is on unauthorized absence (UA) for more than 5 days, is deceased or missing, and for other obvious reasons to avoid financial loss to the government as listed in the PAYPERSMAN or the SDSPROMAN, volume II.

For members covered under mandatory DDS, a CO may specifically authorize a member's disenrollment from the program. Grounds for disenrollment include, but are not limited to, cases of extreme personal hardship on the part of the member. Members exempt from mandatory DDS may elect to terminate participation in the program by notifying disbursing in writing.

To terminate DDS, prepare and submit a NAVCOMPT Form 3060 to DFAS - Cleveland Center. Refer to the PAYPERSMAN or the SDSPROMAN, volume II, for complete instruction.

DDS Advisory to Home Address

Members attached to afloat, overseas, and mobile units may elect to have a copy of their DDS advisory mailed to a designated home address in addition to the DDS advisory that is forwarded to the disbursing office. To start or stop this option, the member completes a locally prepared DDS consent form, similar to figure 7-14, to substantiate authorization. Upon receipt of the consent form, prepare a NAVCOMPT Form 3073 for transmittal to DFAS - Cleveland Center.

No Surprise DDS

No surprise DDS is designed to reduce financial hardships caused by the repayment of certain types of retroactive checkages to your pay. It applies only to overpayment amounts of \$100 or more. A remark is printed on the LES for 2 months, warning that an overpayment has occurred and that repayment must take place. After the remark has appeared for 2 months, the overpayment is recovered in installments over the next 3 months.

No surprise DDS alerts the member to the impending pay reduction and spreads the repayments over a period of time. It gives the member time to react

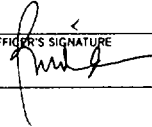
NFC USE ONLY		3073		NFC USE ONLY	
DIRECT DEPOSIT ELECTION					
1. MEMBER'S NAME (LAST, FIRST, MIDDLE INITIAL)		2. SSN		3. ACCT. TYPE	
ERDAL, GERRY S		888-66-4444		C	
4. UIC		5. DEPOSITOR ACCOUNT NUMBER		6. ROUTING NO./CHECK DIGIT	
43082		98766789		551188237	
7. START DATE		8. FINANCIAL ORGANIZATION		9. ADDRESS	
910CT15		PEN AIR FCU		BLDG 3464 NAS	
10. ADDL. ADDRESS (P.O. BOX ETC.)		11. APO OR FPO AND/OR CITY		12. ST.	
		PENSACOLA		FL	
13. ZIP CODE		14. COUNTRY (OTHER THAN U.S.)		15. FIN. ORG. TELEPHONE NO.	
32508				9044535353	
16.		17.		18.	
19.		20. MEMBER'S DUTY STATION		21. DSSN	
		PSD CORY STATION PENSACOLA, FL 32511		5194	
22. DATE		23. DISBURSING OFFICER'S SIGNATURE			
910CT01					
<div style="display: flex; justify-content: space-between; align-items: center;"> <div> <input type="checkbox"/> VALIDATION ERROR <small>NAVCOMPT FORM: OCR 3073 (3 PT) (2 84) S/N 0104-LF-703-0730</small> </div> <div> <small>☆ U. S. GOVERNMENT PRINTING OFFICE: 1984-421-329/Z-2036</small> </div> </div>					

Figure 7-13.-NAVCOMPT Form 3073.

DIRECT DEPOSIT SYSTEM (DDS)	
ADVISORY TO HOME ADDRESS	
NAME (LAST, FIRST, MI)	SSN
DUTY STATION	DUTY STATION NUMBER
<input type="checkbox"/> I elect to have a copy of my DDS advisory mailed to my home address effective on <u>date</u> . (YYMON15/YYMON30)	
<input type="checkbox"/> I request to terminate receiving a copy of my DDS advisory at my home address effective on <u>date</u> . (YYMON15/YYMON30)	
Member's Signature	date

Figure 7-14.DDS advisory to home address consent form.

and plan for the temporary reduction in pay. It also permits the member to elect one of the following options:

- One-time checkage
- Liquidation schedule to start earlier
- Liquidation schedule reduction or increase
- Cash deposit to offset overpayment
- Requests for waiver of indebtedness

This feature of DDS applies only to certain types of overpayment resulting from retroactive changes to members' pay. It is beyond the scope of this training manual to discuss each of these situations in detail. Refer to the PAYPERSMAN or the SDSPROMAN, volume II, for complete details.

Other features of DDS such as continuation procedures, supplemental payment policy and categories, and DDS intercept procedures are found in the PAYPERSMAN, part four, and the SDSPROMAN, volume II, part four.

PAYMENTS ON BEHALF OF DECEASED MEMBERS

An eligible beneficiary or beneficiaries receive the death gratuity and the deceased member's unpaid pay and allowances.

Death Gratuity

Death gratuity is payable to eligible beneficiaries of members who die while on active duty regardless of whether death occurred in the line of duty or was the result of the member's misconduct.

The CO maintaining the member's service record determines if an eligible beneficiary exists. Legal assistance officers help in cases involving a question of law.

The amount of death gratuity payable is based on the basic pay plus incentive pay and special pay at the rates the decedent was entitled on the date of death. The *Department of Defense Military Pay and Allowances Entitlements Manual* (DODPM), part four, chapter 5, contains the computation and minimum and maximum amounts of death gratuity payable to eligible beneficiaries.

The death gratuity is paid by a field (local) disbursing officer of any service or DFAS - Cleveland Center, depending upon who is the eligible beneficiary and where the beneficiary is residing. When the eligible beneficiary can be determined and there is no doubt to entitlement, the death gratuity normally is paid immediately or within 24 hours, if possible. Normally, the ship's or station's casualty assistance calls officer (CACO) acts as liaison between the beneficiary and the disbursing officer if payment is authorized to be made locally.

For more details concerning death gratuity, consult the DODPM, part four. Payment procedures are contained in the PAYPERSMAN, part four, or the SDSPROMAN, volume II, part four.

Unpaid Pay and Allowances

Upon official notification of the death or finding of death, the unpaid pay and allowances (including travel, per diem, transportation of dependents, and shipment of household effects) of the deceased member are paid to the eligible beneficiary or beneficiaries.

BUPERS forwards to the eligible survivors all forms needed to support claims for the deceased member's unpaid pay and allowances with instructions

for completion of the forms. Upon receipt of the completed forms, it is verified against personnel records and forwarded to DFAS - Cleveland Center for payment.

If there are no questions of entitlement or legality, DFAS - Cleveland Center closes the decedent's MMPA, prepares a final LES, an IRS Form W-2, a check for the unpaid pay and allowances, if applicable, and forwards them to the eligible survivors.

MENTAL INCOMPETENTS

Members on active duty receive active duty pay and allowances even though they are mentally incapable of managing their own affairs. However, the local disbursing officer does not pay a member or anyone in the member's behalf once he or she receives information that proper authority has found the member to be mentally incompetent. DFAS - Cleveland Center makes payments directly to the guardian or trustee in behalf of the mentally incompetent member. When it is shown that a member was judicially declared mentally incompetent before induction or enlistment, the member is not entitled to pay and allowances.

Disposition procedures of the member's LES, PFR, outstanding travel claims, undelivered or uncashed U.S. Treasury checks, and other documents that affect the member's pay are found in the PAYPERSMAN, part four, or the SSPROMAN, volume II part four.

MEMBERS IN MISSING STATUS

If a member is missing, captured, interned, or detained, the member's CO notifies BUPERS of the casualty by priority message, which includes DFAS - Cleveland Center as one of the information addressees.

A member who enters a missing status is entitled to the pay and allowances to which entitled when the missing status began or to which the member becomes entitled later. The right to certain pay and allowances is not affected by the fact that the member had not actually received payment before entering a missing status. For example, members without dependents are entitled to BAQ at the without dependent rate and enlisted members are entitled to BAS at the rate payable when rations in kind are not available, even though there was no quarters or subsistence allowance entitlement before the missing status began. See table 4-3-2 of the DODPM for other pay and allowances that accrue to members in a missing status.

Upon receipt of a copy of the casualty report, dispose of the member's LES, PFR, outstanding travel claims, undelivered or uncashed Treasury checks, and other documents affecting the member's pay according to the PAYPERSMAN, part four, and the SDSPROMAN, volume II part four.

SEPARATION PAYMENTS

When members separate from active duty, they are entitled to any or a combination of the following separation payments:

- Lump-sum leave (LSL) payment
- Readjustment pay (READJMTPAY)
- Contract cancellation pay (CONTR CNCLTN PAY)
- Disability severance pay (DBLTY SVRNC PAY)
- Severance pay (SVRNC PAY)
- Separation pay (SEP PAY)
- Discharge gratuity (DISCH GRAT)
- Travel allowances

Except for DISCH GRAT and travel allowances, entitlement to these payments requires that the separation be under honorable conditions.

ADVANCE INFORMATION

When a member is to be separated from active duty, BUPERS furnishes DFAS - Cleveland Center information needed to support computation of separation payments.

Approximately 4 months before an enlisted member's expiration of active obligated service (EAOS) date, DFAS - Cleveland Center forecasts payments due on discharge and reenlistment on monthly LESS. The information, intended primarily for the member's career planning, is updated and reprinted monthly in the Remarks section of the LES, as shown in figure 7-15.

LUMP-SUM LEAVE PAYMENT

The LSL is payable to a member for the unused accrued leave credited to the member's account on the date of separation, unless the member continues on active duty under conditions that require accrued leave

to be carried forward. The LSL payable during an entire military career cannot exceed 60 days. When the final leave balance includes a one-half day total, compute the amount to be paid by crediting the member with a one-half day entitlement.

Unless the member took a period of leave that has not been posted on the MMPA, pay the amount of LSL posted on the Remarks section of the LES. Additional instructions and restrictions concerning LSL payments are contained in the DODPM, part four, chapter 5. For payment procedures, refer to the PAYPERSMAN, part four, or the SDSPROMAN, volume II part four.

SEPARATION PAY

SEP PAY is to assist members who are involuntarily separated in returning to civilian life and to encourage the pursuit of a military career through the assurance that those unable to remain on active duty until eligible for retired or retainer pay can count on compensation to ease their reentry to civilian life.

Regular officers separated because of twice failing to be selected for promotion must have completed at least 5 years of active duty service. Regular enlisted members must have completed at least 6 years of active duty service before separation. Normally, it is computed on the basis of 10 percent of 12 months' basic pay multiplied by years and fractions of a year based on additional full months of active service. Eligible members are entitled to either full or half of the gross amount. The Chief of Naval Personnel determines the amount payable for officers and the commanding officer determines it for enlisted personnel.

Additional eligibility criteria concerning minimum service, reduced or nonentitlement provisions, recoupment, and savings provisions are contained in *Separation Pay for Involuntary Separation From Active Duty*, BUPERSINST 1900.7.

READJUSTMENT PAY

A lump-sum READJMT PAY is payable to a member of the Naval Reserve involuntarily released from active duty. This payment is authorized only, if immediately before release, the member had served at least 5 continuous years on active duty. A period of active duty is continuous if it is not interrupted by a break in service of more than 30 days.

Normally, READJMTPAY is computed on the basis of 2 months' basic pay in the grade in which the member is serving on the date of release from active duty for each

Figure 7-15.-LES notation-month before EAOS/separation.

Members entitled to SEP PAY or READJMT PAY may not receive both, but should elect which they will receive. They will receive the amount that is most favorable if no election is made.

SEVERANCE PAY

Table 4-4-10 of the DODPM lists the reasons, computations, and maximum amounts payable when an officer is entitled to SVRNC PAY. As in READJMT PAY, the 6-month and SEP PAY or SVRNC PAY rules apply.

DISABILITY SEVERANCE PAY

When a Navy member has a disability of less than 30 percent but continues to render himself or herself unfit for duty, and the member has served at least 6 months, but less than 20 years of active duty, the member is discharged with severance pay.

DBLTY SVRNC PAY is not taxable when paid to an individual who on 24 September 1975 was a member of the Armed Forces of the United States or was under a binding written commitment to become such a member. Such pay is taxable when paid to members who entered an Armed Force of the United States after 24 September 1975 except when such entitlement accrues because of a separation that is a result of combat-related injuries.

Factors in computing DBLTY SVRNC PAY are beyond the scope of this training manual. Refer to DODPM, part four, chapter 4, to find out how to compute this type of separation pay.

CONTRACT CANCELLATION PAY

Members released from active duty in the Navy without their consent before the end of their active duty agreement are entitled to CONTR CNCLTN PAY. This is in addition to any pay and allowances to which the member is otherwise entitled.

The computation is based upon the number of years and months left on the unexpired portion of service remaining on the contract. Periods of 15 days or more count as a full month. Periods of less than 15 days are disregarded. Multiply the number of years and months by the sum of 1 month's basic pay, special pay, and allowances to which the member is entitled on the day of his or her release. See DODPM, part four, chapter 4, for restrictions to the entitlement of CONTR CNCLTN PAY.

DISCHARGE GRATUITY

Certain enlisted members separated under other than honorable conditions are entitled to DISCH GRAT. The member must meet the entitlement conditions

stated in DODPM, part four, chapter 4. The amount payable is the difference between the amount of funds in the member's possession and \$25. Funds in the member's possession include personal funds and any item paid at the time of discharge or release, excluding mileage and cash advanced incident to furnishing transportation in kind.

PAYMENT PROCEDURES

DFAS - Cleveland Center computes separation payments and BUPERS includes the amounts payable in the separation orders for the member. The admin officer is responsible for verifying the separation orders and indicating on the Detaching (Departing) Endorsement to Orders, NAVCOMPT Form 3067, the type of separation payment the member is entitled to. If the taxability of DBLTY SVRNC PAY is not indicated on the orders, withhold taxes for a one-time taxable entitlement.

Compute the final payment due the member on a locally reproduced worksheet, as shown in figure 7-16. Make entries on the work sheet from LES annotations and any documents on hand but not yet transmitted to DFAS - Cleveland Center. File the worksheet in the PFR and provide a copy to the member. Complete separation payment procedures are found in the PAYPERSMAN or the SDSPROMAN, volume II.

Transportation allowances on separation and retirement are discussed in chapter 10 of this training manual.

SUMMARY

You should become familiar with the various reference sources and the proper procedures and forms required for the completion of payrolls. Your main job is paying the crew accurately and on time. To perform this task, pay documents must be transmitted as soon after proper preparation or receipt from the personnel office. That way, any new entitlements or deductions are computed and included the very next payday.

When a member inquires about DDS payments, review all documentation submitted since the last pay computation on the member to determine why the DDS payment was adjusted up or down. Do not tell the member to contact DFAS - Cleveland Center to discuss DDS pay problems. Resolution of DDS problems is your responsibility.

Separation payments computation discussed in this chapter are normal entitlements that members receive

LES WORKSHEET FOR SEPARATION									
<u>PAYNO</u>		<u>BILLY</u>		<u>0</u>		<u>PLASK PIANO CITY, MS</u>			
Rank		Rate		M11		Discharge line codes		DD	
APD		SEP		Date		KKB		DOD	
Pay computed from <u>10/1/91</u>		To <u>10/1/91</u>		Sep Date		Phone (LHQ) <u>614-381-1111</u>			
Superior command: <u>MS CALIFORNIA CITY</u> DESK <u>212W</u> OIC/P1 Clerk <u>SHI THORNTON</u>									
LEAVE									
1. LES is only payable under Personnel and General discharges:					LEAVE EARNED				
					Days Earned				
					1-8 0.5				
					7-12 1.0				
					13-18 1.5				
					19-24 2.0				
					25-31 2.5				
2. Last two pay periods of vacation leave:					LEAVE COMPUTATION				
From <u>6/1/91</u> To <u>8/1/91</u>					1. Ending pay balance from prior LES: <u>2.0</u>				
From <u>5/1/91</u> To <u>5/1/91</u>					2. Leave accrued plus (Minus) time: <u>1.5</u>				
					3. Leave used: <u>0.0</u>				
					4. Leave balance on separation: <u>2.0</u>				
					5. External leave balance on separation:				
<p>Consider unexpired periods of leave (preparation leaving and time not used) and (unused leave) when computing final leave balance. Multiply last two</p>									
CREDITS									
<p>30% of FROM LAST LES OR PREVIOUS MONTHS WORKSHEET</p> <p>IF MONTH:</p> <p>BASIC PAY</p> <p>WAGE 1 IF GOV DMS VACATED WAS DOL TWO TO ONE</p> <p>WAGON: GEP CODE</p> <p>ONE THROUGH MONTH OF SEPARATION</p> <p>BASIC'S SEP TO 2ND WTS ON DATE OF SEPARATION</p> <p>CAP/COMP/ORD</p> <p>PLA</p> <p>SUB PAY/FLIGHT PAY</p> <p>LEAVE RATIONS</p> <p>PRO PAY</p> <p>CANCELED DOW NPR GSN DATE</p> <p>CHECKS DOW DSN DSN DATE</p> <p>MSC CREDITS (Pre-separation)</p> <p>1- <u>Y</u> DAYS BASIC PAY (Leave Max 365 days)</p> <p>LR <u>Y</u> DAYS ALLOWANCES (Standard Leave Only)</p>									
TOTAL CREDITS									
<p><input type="checkbox"/> 1. File copies of original documents and correspondence concerning any resolved problems in the PFR.</p> <p><input type="checkbox"/> 2. Ensure all documents have been processed on the personal LES and stored forward in the separation worksheet.</p> <p><input type="checkbox"/> 3. Ensure all documents have been forwarded to NAVFAC.</p>									
Transmitted No. 2061/LES					Transmitted No. 2062/LEAVE				
<u>1/1/2000</u>					<u>1/1/2000</u>				
Transmitted No. Doc					Transmitted No. Doc				
<u>1/1/2000</u>					<u>1/1/2000</u>				

<u>DEDUCTIONS</u>		Month of _____	Month of _____	Month of Separation <u>Oct 88</u>
BAL. fr FROM LAST LST OR PREVIOUS MONTH WORKSHEET (if required)	\$ _____	\$ _____	\$ _____	\$ -0-
SQ THROUGH MONTH OF SEPARATION:	\$ _____	\$ _____	\$ _____	\$ -0-
FICA	\$ _____	\$ _____	\$ _____	\$ 47.96
STATE PAYROLL TAX, SEP PAY, SEV & CONTRACT CANCELLATION PAYS	\$ _____	\$ _____	\$ _____	\$ -0-
STATE PAYMENT AGAINST R. DISPROPORTION Table 7-2.1 State Cont.	\$ _____	\$ _____	\$ _____	\$ -0-
PAYROLL TAX, SEP PAY, SEV & CONTRACT CANCELLATION PAYS	\$ _____	\$ _____	\$ _____	\$ 661.96
PAYROLL PAYMENT AGAINST R. DISPROPORTION Table 7-2.2 Group 3-4	\$ _____	\$ _____	\$ _____	\$ _____
ADVANCED LEAVE PAYMENTS	\$ _____	\$ _____	\$ _____	\$ _____
INDEBTEDNESS (PREMIAING BALANCE) (Less mon. 1 below)	\$ _____	\$ _____	\$ _____	\$ _____
ADVANCE PAY (PREMIAING BALANCE)	\$ _____	\$ _____	\$ _____	\$ _____
BONUS RECOUPMENT (TYPE) _____)	\$ _____	\$ _____	\$ _____	\$ _____
Mon. mon. 2 below	\$ _____	\$ _____	\$ _____	\$ _____
FORFEITURE OF PAY TO DISCHARGE DATE _____	\$ _____	\$ _____	\$ _____	\$ _____
UN CHARGEABLE	\$ _____	\$ _____	\$ _____	\$ _____
EXCESS LEAVE (NO. OF DAYS CHECKED) _____)	\$ _____	\$ _____	\$ _____	\$ _____
BAS OR RATE SEP CHARGEABLE	\$ _____	\$ _____	\$ _____	\$ _____
DEPENDENTS DENTAL PLAN (STOP MONTH PRIOR TO SEPARATION)	\$ _____	\$ _____	\$ _____	\$ _____
MISCELLANEOUS DEDUCTIONS _____	\$ _____	\$ _____	\$ _____	\$ _____
ALLOWANCES: Indicate month of last deduction _____ _____ TYPE \$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____ TYPE \$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____ TYPE \$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____ TYPE \$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____ TYPE \$ _____	\$ _____	\$ _____	\$ _____	\$ _____
UNCONSIDERED PAYMENTS BY FIN. LISTS ANNOTATIONS MON. MON. 3 BELOW DISCH. DATE MON. MON. 3 BELOW	\$ _____	\$ _____	\$ _____	\$ 978.10
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL DEDUCTIONS	\$ _____	\$ _____	\$ _____	\$ 1,596.94
AMOUNT UNDERPAID/OVERPAID CF (CREDITS - DEDUCTIONS)	\$ _____	\$ _____	\$ _____	\$ _____

FINAL PAYMENT (IF UNDERPAID) MPR RECD ODSH ENDY DATE 11/15 ODN A 8000 \$ 3621.82

OR

TOTAL OVERPAID AT DISCHARGE (IF OVERPAID, NO ADDITIONAL PAYMENTS CAN BE MADE) \$

ITEM

- Examine any suspended wages (chargeback, credit manual fines, and non-current indebtedness chargebacks are deducted in full).
- If discharge is requested early and mispayment of item is required complete and enter type of mispayment.
- Does member have wage earned on "A" advance, if so a CR type payment must be made or the member must make repayment arrangements with Heavy Metal.

PSAPRCLL 7220/21 (3/90)

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CHECKLIST

MEMBER'S SIGN

227-66-1111

☒ 1. Debit from DOL if applicable. Verify fee is DOL payment (DOL stop date) from MAMPA Section 1 if available. If unknown, contact nearest PSD.

☐ 2. If member is in a disciplinary status, contact local MEX for any unpaid Health and Comfort leave or bad checks.

☐ 3. Provide the member with a blank return claim and intervention sheet on how to complete the claim and where to mail payment.

☐ 4. The original NAVYCOMP 2272 for case of returned members should have been forwarded to NAVY NEXEN Case 33-16 in least 30 days prior to separation. If not, forward immediately under separate cover. "DO NOT INCLUDE IN PFR"

☐ 5. Place a copy of the separation NAVYCOMP 3067 in the PFR. Send an additional copy of the NAVYCOMP 3067 to NAVY NEXEN Case 6316 Forward of Pay Department for their reimbursement of members.

☐ 6. Ensure member's ATM account has been closed and the ATM card returned.

☐ 7. Does member have savings bonds held in subchapter? To request savings bonds, use PATTERSMAN Form 5300L, SEE PROMAN Form 5, BODDIE.

☒ 8. Using the Inhering MAMPA section, SEE Commandant with MAMPA action should verify that transactions as reflected on the ES or automated PFR has Outstanding Transaction File (AMQP) Payment Section (AMPC).

Leave Section (LAPPE) Retirement Section (LAPRE) Address (A155)

☒ 9. Ensure the separation worksheet has been filed in the PFR prior to forwarding the PFR to NAVY NEXEN.

AUDIT

Ensure a member has been debited 30% the local payroll system.

Verify outstanding payments under documents on UNDEB 505 forms.

DR/PAY CLEM

Signature
(Signature)

AUDITOR/DATE

Signature
(Signature)

REASON FOR OVERPAYMENT

If member is being discharged in an unpaid status, provide the reason for overpayment:

MEMBER CERTIFICATION

I have read, understood and received a copy of the explanations shown above. I understand that they represent a full and complete and not a final resolution, it has been explained to me that a final computation of my pay account will be conducted by the Navy Finance Center (Cable Sec) and that the results shown on this worksheet could change due to information that was not known by the local DR/PSOP SA at the time this worksheet was completed. I have been notified to keep the Navy Finance Center advised of any current address or in order to facilitate timely case processing regarding the status of my separation. I have been advised that payment in full is expected within 30 days of notification and can be made by check, money order, Visa or Mastercard.

Signature

(Signature)

Date: 10/12/99

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Figure 7-16.—LES work sheet for separation.

on separation. Members separated involuntarily for reasons that involve moral or professional dereliction are either entitled to lesser amounts or not entitled to any separation payment at all. Also, the amounts shown are current at the time this training manual is being revised. Always refer to the DODPM, the PAYPERSMAN, and the SDSPROMAN, volume II, for complete details and the current amounts authorized.

REFERENCES

- ATM at Sea User Documentation Manual*, Release 2.11, NCR Corporation, Dayton, Ohio, May 1991.
- Department of Defense Military Pay and Allowances Entitlements Manual* (DODPM), NAVSO P-6048, change 23, Department of Defense, Washington, DC, January 18, 1991.
- Department of the Navy Disability Evaluation*, SECNAVINST 1850.4C, Department of the Navy, Office of the Secretary, Washington, DC, March 8, 1990.
- Navy Comptroller Manual* (NAVCOMPTMAN), NAVSO P-1000-4, volume 4, revision 1, Navy Department, Office of the Comptroller, Washington, DC, January 9, 1991.
- Navy Pay and Personnel Procedures Manual* (PAYPERSMAN), NAVSO P-3050, change 126, Navy Department, Office of the Comptroller, Washington, DC, June 19, 1991.
- Policy for Civilian and Military Pay Services*, SECNAVINST 7200.17D, Department of the Navy, Office of the Secretary, Washington, DC, June 7, 1991.
- Separation Pay for Involuntary Separation From Active Service*, BUPERSINST 1900.7, Department of the Navy, Bureau of Naval Personnel, Washington, DC, August 30, 1991.
- Source Data System Procedures Manual* (SDSPROMAN), NAVSO P-3069-2, volume II, change 31, Navy Department, Office of the Comptroller, Washington, DC, May 15, 1991.

